SAN MATEO COUNTY OFFICE OF EDUCATION
Excellence and Equity in Education
Marco A. Chávez • County Superintendent of Schools

September 15, 2026

Anthony Tsujisaka
President, Governing Board
Jefferson Elementary School District
101 Lincoln Ave
Daly City, CA, 94015-3934

RE: 2026-27 Adopted Budget

Dear Board President Tsujisaka:

The San Mateo County Office of Education (SMCOE) has completed its review of Jefferson Elementary School District's Local Control and Accountability Plan (LCAP) and Adopted Budget for the 2026-27 fiscal year pursuant to Education Codes *42127* and *52070*.

A. LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP)

The County Superintendent is required to approve the District's LCAP if it is determined that the following criteria have been met:

- The LCAP adheres to the template adopted by the State Board of Education (EC 52064)
- The budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP
- The LCAP adheres to the expenditure requirements for funds apportioned on the basis of the number and concentration of unduplicated pupils (EC *42238.02* and *42238.03*)
- The LCAP includes the required calculations to determine whether there is a carryover requirement, and if applicable, includes a description of the planned uses of the specific funds and a description of how the planned uses are to be considered as contributing towards meeting the increased or improved services requirement {(*EC 52070(d)(4)*}

The San Mateo County Superintendent of Schools has approved your Local Control Accountability Plan for the 2026-27 school year, pursuant to Education Code (EC) Section *52070.5(d)*. California Education Code requires the County Superintendent to review and approve the LCAP prior to the approval of the LEA's adopted budget per EC Section *42127(2)*. Your board approved LCAP will be posted on the SMCOE website.

B. ADOPTED BUDGET

In accordance with Education Code Section 42127, the County Superintendent of Schools has examined the Adopted Budget of Jefferson Elementary (the District) for fiscal year 2026-27 to determine if it complies with the criteria and standards adopted by the State Board of Education, allows the District to meet its financial obligations during the fiscal year, and is consistent with a financial plan that will allow the District to meet its multi-year financial commitments.

The County Office's review and analysis confirms that the 2026-27 Budget, adopted by the Governing Board on June 24, 2026, meets the requirements outlined in Education Code 42127(c).

The San Mateo County Office of Education **approves** Jefferson Elementary School District's 2026-27 Adopted Budget with the following comments:

The 2026-27 Adopted Budget shows a net increase of $716,000 in the General Fund Balance. Compared to 2025-26 Estimated Actuals, the General Fund shifted from a $7.5 million deficit to a $716,000 surplus.

Total revenues increased by $1.6 million. Local Control Funding Formula (LCFF) funding increased by 1.9% or $1.3 million while other state revenues increased by 5.1% or $895,000 primarily from Learning Recovery Emergency Block Grant (LREBG) and Student Support and Professional Development Discretionary Block Grant (SSPDBG). These increases were partially offset by a $593,000 reduction resulting from the removal of prior year federal and local revenue carryover.

Total expenditures decreased by $5.9 million. Salaries and benefits decreased by $642,000 due to the elimination of positions. Books and supplies, services and capital outlay decreased by $5.6 million due to the removal of carryover funds for vehicle purchase and reductions in contracted services.

A $1.8 million transfer from the Special Reserve for Other Than Capital Outlay Projects (Fund 17) is planned for textbook adoption and health and welfare. A $1.1 million transfer from the Special Reserve Fund for Postemployment Benefits (Fund 20) is planned for Other Postemployment Benefits (OPEB).

RESERVES

The state-recommended minimum reserve for Jefferson Elementary School District is 3.00% of total General Fund expenditures and Transfers Out. The District is projecting approximately $2.9 million in available reserves or 3.03% of the total General Fund expenditures for 2026-27.

MULTI-YEAR PROJECTIONS (MYP)

Reserves are expected to increase to 6.01% in 2027-28 and 6.02% in 2028-29.

Total revenues are projected to decrease by $2 million in 2027-28 and increase by $2.4 million in 2028-29. In 2027-28, the elimination of LREBG and SSPDBG is partially offset by a $2.9 million increase in transfers from the Special Reserve Fund for Postemployment Benefits (Fund 20) resulting in an overall revenue decrease. In 2028-29, an additional $3 million transfer from Fund 20 partially offsets reductions in LCFF and one-time grant revenues.

Total expenditures are projected to increase $1.6 million in 2027-28 and $1.4 million in 2028-29. Certificated and classified salaries show a 1.5% step and column increase in both subsequent years. Benefits are budgeted with a 1.32% increase in 2027-28 and flat in 2028-29. Books and supplies, and services and operating expenditures are budgeted with a 2.73% increase in the subsequent years.

DEFICIT SPENDING

The multi-year projections show an operating deficit of $3 million in the Unrestricted General Fund for 2026-27 followed by deficits of $2.5 million in 2027-28 and $849,000 in 2028-29.

CASH FLOW

The District submitted cash flow projections for 2026-27 and 2027-28; however, the form was incomplete. Both the assets and liabilities sections were left blank for both years preventing verification of reasonableness of the ending cash balances for each year.

For the First Interim Report, it is expected the District will submit a complete two-year cash flow projection. A cash flow projection is an important tool in the fiscal management of a district. Having an accurate cash flow projection helps ensure the school district is able to meet its financial obligations, identify timelines of cash receipts, identify the possible need for short-term borrowing and provide information for negotiations.

The County Superintendent recommends the District adopt best practices and regularly monitor its cash position to ensure payroll and other monthly obligations are met.

OTHER FUNDS

The District maintains positive fund balances across all other funds. Below is a summary of funds with notable changes in the 2026-27 Adopted Budget.

Child Development Fund (Fund 12) – Revenues are projected to decrease by 6.3% or $182,000 primarily due to reduced State Preschool funding. Expenditures are projected to decrease by 5.9% or $153,000 primarily due to the removal of the supplies and services budget.

Cafeteria Fund (Fund 13) – Revenues are projected to decrease by 5.4% or $221,000 in Child Nutrition and interest income. Expenditures are projected to decrease by 11.4% or $559,000 in operating expenses including books, supplies, services, and capital outlay.

Other Enterprise Fund (Fund 63) – The $108,000 insurance budget has been eliminated and consulting services have been reduced by 74.1% or $400,000.

There are no other significant changes in other District funds from the 2025-26 Estimated Actuals to the 2026-27 Adopted Budget report.

SALARY NEGOTIATIONS

The District has not settled negotiations with the certificated and classified bargaining units for the current year.

In accordance with Government Code *3547.5* and Assembly Bill *2756*, the District must provide the County Office of Education with an analysis of cost and impact on the operating budget of the proposed salary settlement. The District is also required to submit the following documents reflecting the financial impact:

1) Disclosure of Collective Bargaining Agreement ten (10) days before the Governing Board acts on any tentative collective bargaining agreement (requires the signatures of the Superintendent and the Chief Business Official).
2) Multi-year spreadsheet reflecting the current and two subsequent fiscal years.
3) Budget revisions (if necessary, must be posted to the financial system prior to processing a salary settlement on the payroll system).

The County Superintendent recommends the District conduct a thorough pre-settlement analysis of any proposed collective bargaining agreement especially for multi-year contracts to make sure the District can sustain related costs and avoid the risk of insolvency.

CHARTER SCHOOL

The District is the authorizing agency for California Virtual Academy.

As the authorizing agency, the District maintains fiscal oversight responsibilities, particularly in the key areas of accounting, attendance reporting, budgeting, and payroll.

The COE has received the authorizing agency's Board Approval letters and concurs with Jefferson Elementary School District's assessment of the Charter's 2026-27 Adopted Budget Report.
As an authorizing agency, the District must continue to closely monitor the charter school's Local Control Accountability Plan and budget to ensure that sufficient funds are maintained to support all goals, actions and services included in the LCAP for 2026-27.

Should any circumstances arise related to the charter school that would negatively impact the financial condition of the District, please notify the County Office of Education as soon as possible.

We commend the work done by the Board and district staff to develop this year's LCAP and Budget. Please contact us if you have any questions about our review of your district's 2026-27 LCAP or Budget.

Sincerely,

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Enclosures

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